
APPENDIX G: GLOSSARY

Approved Deposit Fund (ADF)	A tax-effective method of investing a member's ETP. The lump sum payment and the earnings on it remain tax free while in the fund. An ADF has to be withdrawn by age 65.
Award Based Contributions (or Award Superannuation)	Contributions determined by an Industrial Tribunal paid by the employer to a superannuation plan for all eligible employees.
Capital Guaranteed Fund	The original capital and sometimes declared investment return are guaranteed.
Capital Stable Fund	These funds have slightly more risk than capital guaranteed funds because, in addition to low risk fixed interest assets, they often include investments in low risk equities or shares.
Eligible Termination Payment (ETP)	Any lump sum payment (or a payment in instalments, not regarded as income) made in respect of a taxpayer, other than directly to a dependant of a deceased taxpayer, in consequence of termination of the employment or death of the taxpayer (including a payment from a superannuation fund, rollover, deferred annuity or ADF). An amount paid to a taxpayer, to the dependants or estate of a deceased taxpayer or to other persons in commutation of an annuity or a superannuation pension, or as the residual capital value of such an annuity or pension, is also an ETP.

Equities	Stocks and shares not bearing fixed interest.
Life Office	A firm which sells life insurance and other insurance products, for example, life cover, superannuation bonds, annuities and superannuation.
Life Policy	A contract of insurance agreed to when a person purchases life insurance.
Lost Member	The classification given to a member of a superannuation fund whose current postal address is not available.
Lump Sum Benefit	A benefit paid out in a single cash payment.
Master Trust	A trust arrangement which allows a single trustee appointed by the promoters of funds to administer and manage the superannuation funds of a number of employers.
Occupational Superannuation	Pension or retirement benefit arising from an employment contract.
Portability	Allowing a superannuation plan to be transferred from one fund (or one employer) to another.
Preservation	Maintenance of a member's entitlements in a superannuation fund until a specified minimum age (usually at least 55).
Rollovers	When a member changes jobs and takes an ETP from a superannuation fund, ADF or DAF, this lump-sum can be transferred to other schemes without losing the tax advantage.

Securities	Financial instruments which are evidence of debt or of property. Bonds, certificates of stock and shares are documents which indicate the existence of a security.
Superannuation Fund	Fund designed to produce retirement benefits for members. To attract concessions, it must have these characteristics: (a) be indefinitely continuing and (b) be maintained solely for following purposes: provision of benefits for fund members, or for dependants of each member in the event of death, or any other purpose allowed by the Insurance and Superannuation Commission in writing.
Trust	A fiduciary relationship in which one person (the trustee) holds the title to property for the benefit of another (the beneficiary).
Trust Deed	Formal document setting out rules governing how a fund operates.